

Message Text

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ORIGIN XMB-07

INFO OCT-01 ISO-00 ARA-16 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 PA-04 PRS-01 USIA-15

/113 R

66603

DRAFTED BY: XMB/AMOHANIAN

APPROVED BY: EB/OCA/REP:LHPOMEROY

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SPECIAL CHARGE: XMB

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R 031556Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS STATE 066783

E.O. 11652: N/A

TAGS: APUB, BR

SUBJECT: PRESS RELEASE ON EXIMBANK LOAN TO BRAZIL

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF \$2,250,000 TO COMPANHIA GOODYEAR DO BRASIL
PRODUTOS DE BORRACHA. RELEASE IS SCHEDULED FOR ANNOUNCEMENT
HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, TUESDAY, APRIL 16,
1974.

QUOTE: EXIMBANK SUPPORTS \$5 MILLION SALE OF U.S. GOODS AND
SERVICES REQUIRED FOR EXPANSION OF TIRE PLANT IN BRAZIL

TO HELP FINANCE A \$5 MILLION SALE OF U.S. GOODS AND SERVICES

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REQUIRED IN CONNECTION WITH THE DESIGN, CONSTRUCTION AND EQUIPPING
FOR THE EXPANSION OF A TIRE PLANT IN BRAZIL, THE BOARD OF

DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF \$2,250,000 TO FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A LOAN OF \$2,250,000 FROM BANKERS TRUST COMPANY, NEW YORK, WILL FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS. THE BORROWER, COMPANHIA GOODYEAR DO BRASIL PRODUTOS DE BORRACHA (GOODYEAR DO BRASIL), WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OR \$500,000.

GOODYEAR DO BRASIL WAS INCORPORATED IN 1938 AND IS 100 PERCENT OWNED BY THE GOODYEAR TIRE AND RUBBER COMPANY OF AKRON, OHIO. GOODYEAR DO BRASIL PRODUCES TIRES, TUBES, INDUSTRIAL RUBBER PRODUCTS, SHOE PRODUCTS, RETREAD AND REPAIR MATERIALS.

THE PROPOSED EXPANSION PROJECT IS EXPECTED TO INCREASE THE COMPANY'S PRODUCTION BY MORE THAN 1,000 TIRES PER DAY. THE EXPANSION WILL TAKE PLACE AT GOODYEAR DO BRASIL'S FACILITY IN AMERICANA, LOCATED ABOUT 80 MILES NORTHWEST OF SAO PAULO.

THE LOANS ARE TO BE REPAYED IN 10 SEMIANNUAL INSTALLMENTS BEGINNING AUGUST 10, 1975, WITH EXIMBANK'S DIRECT LOAN OF \$2,250,000 TO BE REPAYED OUT OF THE LAST 5 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 7 PERCENT ON OUTSTANDING BALANCES.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 03 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE066783
Document Source: CORE
Document Unique ID: 00
Drafter: XMB/AMOHANIAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740075-0377
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740470/aaaacmkj.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAY 2002 by bryansd0>; APPROVED <16 DEC 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK LOAN TO BRAZIL FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
TAGS: APUB, BR
To: BRASILIA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005